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8  
9 **BEFORE THE**  
10 **DIRECTOR OF THE DEPARTMENT OF CONSUMER AFFAIRS**  
11 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**  
12 **STATE OF CALIFORNIA**

13  
14 In the Matter of the Statement of Issues  
Against:

15 **AMERICAN BEAUTY INSTITUTE**

16 **Approval to Operate and Offer Educational**  
17 **Programs for Non-Accredited Institutions**  
18 **Applicant Institution Code No. 81663192**

19 Respondent.

Case No. BPPE22-0768

**STATEMENT OF ISSUES**

20  
21 **PARTIES**

22 1. Deborah Cochrane (Complainant) brings this Statement of Issues solely in her official  
23 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of  
24 Consumer Affairs.

25 2. On or about July 15, 2020, the Bureau for Private Postsecondary Education received  
26 an application for Renewal of Approval to Operate and Offer Educational Programs for Non-  
27 Accredited Institutions from American Beauty Institute (Respondent). On or about June 30,  
28

1 2020, Respondent certified under penalty of perjury to the truthfulness of all statements, answers,  
2 and representations in the application. The Bureau denied the application on September 30, 2022.

3 **JURISDICTION**

4 3. This Statement of Issues is brought before the Director of the Department of  
5 Consumer Affairs (Director) for the Bureau for Private Postsecondary Education, under the  
6 authority of the following laws. All section references are to the Education Code (Code) unless  
7 otherwise indicated.

8 4. Code section 94885 states:

9 (a) The bureau shall adopt by regulation minimum operating standards for an  
10 institution that shall reasonably ensure that all of the following occur:

11 (1) The content of each educational program can achieve its stated objective.

12 (2) The institution maintains specific written standards for student admissions  
13 for each educational program and those standards are related to the particular  
14 educational program.

15 (3) The facilities, instructional equipment, and materials are sufficient to enable  
16 students to achieve the educational program's goals.

17 (4) The institution maintains a withdrawal policy and provides refunds.

18 (5) The directors, administrators, and faculty are properly qualified.

19 (6) The institution is financially sound and capable of fulfilling its  
20 commitments to students.

21 (7) That, upon satisfactory completion of an educational program, the  
22 institution gives students a document signifying the degree or diploma awarded.

23 (8) Adequate records and standard transcripts are maintained and are available  
24 to students.

25 (9) The institution is maintained and operated in compliance with this chapter  
26 and all other applicable ordinances and laws.

27 ...

28 5. Code section 94891 states in pertinent part:

...  
29

(b) To be granted a renewal of an approval to operate, the institution shall  
demonstrate its continued capacity to meet the minimum operating standards.

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1 **STATUTORY PROVISIONS**

2 6. Code section 94900 states in pertinent part:

3 ...

4 (b) An institution shall maintain, for each student granted a degree or certificate  
5 by that institution, permanent records of all of the following:

6 ...

7 (3) The grades earned by the student in each of those courses.

8 **REGULATORY PROVISIONS**

9 7. Title 5, California Code of Regulations (CCR), section 71710 states:

10 In order to meet its mission and objectives, the educational program defined in  
11 section 94837 of the Code shall be comprised of a curriculum that includes:

12 ...

13 (b) Subject areas and courses or modules that are presented in a logically  
14 organized manner or sequence to students;

15 (c) Course or module materials that are designed or organized by duly qualified  
16 faculty. For each course or module, each student shall be provided with a syllabus or  
17 course outline that contains:

18 ...

19 (2) A statement of educational objectives;

20 ...

21 (6) Sequential and detailed outline of subject matter to be addressed or a list of  
22 skills to be learned and how those skills are to be measured;

23 (7) Instructional mode or methods.

24 ...

25 (e) Specific learning outcomes tied to the sequence of the presentation of the  
26 material to measure the students' learning of the material; and

27 ...

28 8. Title 5, California Code of Regulations (CCR), section 71715 states:

(a) Instruction shall be the central focus of the resources and services of the  
institution.

(b) The institution shall document that the instruction offered leads to the  
achievement of the learning objectives of each course.

1 (c) Direct instruction requires the physical presence of one or more students and  
2 one or more faculty members at the same location. Direct instruction includes  
3 instruction presented in a classroom, seminar, workshop, lecture, colloquium,  
4 laboratory, tutorial, or other physical learning settings consistent with the mission,  
5 purposes, and objectives of the institution.

6 ...

### 7 **FACTUAL ALLEGATIONS**

8 9. On or about July 15, 2020, the Bureau received an application for Renewal of  
9 Approval to Operate and Offer Educational Programs for Non-Accredited Institutions from  
10 Respondent. The Bureau issued a Deficiency Letter to Respondent on August 27, 2020,  
11 requesting Respondent correct errors contained in the student enrollment agreement, and the  
12 course catalog. The Bureau requested Respondent provide proof that the deficiencies were  
13 corrected by September 30, 2020. The Bureau's notice indicated that the application remained  
14 subject to further review once the corrections to the deficiencies were received.

15 10. On September 25, 2020, the Bureau received Respondent's response to the  
16 Deficiency Letter. Respondent included a copy of the proposed course catalog and completed  
17 checklist. On October 14, 2020, the Bureau received an amended catalog of courses. After  
18 review, the Bureau issued a second Deficiency Letter to Respondent on March 5, 2021,  
19 requesting Respondent provide a syllabus for each program and correct the course catalog to  
20 include each specific course within the program offered by the institution. The letter provided a  
21 sample template and instructions for the syllabus, information on implementing distance  
22 education, and examples of acceptable identifying information. The Bureau requested  
23 Respondent provide proof that the deficiencies were corrected by April 12, 2021. The Bureau's  
24 notice indicated that the application remained subject to further review once the corrections to the  
25 deficiencies were received.

26 11. On April 16, 2021, the Bureau sent an email communication to Respondent noting  
27 that the requested information had not been received and inquiring if Respondent required an  
28 extension or had any questions. The email included attached copies of the Deficiency Letter and  
the sample template, instructions for the syllabus, and another copy of information on  
implementing distance education. On July 2, 2021, the Bureau sent another Deficiency Letter

1 identifying the deficiencies regarding the educational program and catalog. The letter requested  
2 Respondent provide a response no later than August 5, 2021.

3 12. On August 11, 2022, Bureau Senior Education Specialist DS visited Respondent's  
4 campus to determine if the institution met statutorily required minimum operating standards. DS  
5 observed students and reviewed student records. DS determined that programs were not being  
6 presented in an organized manner and students dictated the courses they chose to attend.  
7 Respondent did not provide in person theory instruction but offered theory instruction online  
8 without prior Bureau approval. A review of student records demonstrated that Respondent failed  
9 to track grades earned in each course. The syllabi for the Esthetician and Manicurist programs  
10 did not contain required information. Respondent did not have a sequence regarding program  
11 delivery which left DS unable to determine if the sequence of materials align with student  
12 learning outcomes. Student records did not track grades earned in each course. On September 30,  
13 2022, the Bureau issued a Notice of Denial of Application for Renewal of Approval to Operate.

14 **FIRST CAUSE FOR DENIAL OF APPLICATION**

15 **(Failure to Meet Minimum Operating Standards: Student Records)**

16 13. Respondent's application is subject to denial under Code section 94891, subdivision  
17 (b), in conjunction with Code section 94900, subdivision (b), in that Respondent did not track  
18 student grades or track if students completed theory instruction in a logical order or sequence for  
19 each course as more fully set forth in paragraph 12 above and incorporated herein by reference.

20 **SECOND CAUSE FOR DENIAL OF APPLICATION**

21 **(Failure to Meet Minimum Operating Standards: Syllabi)**

22 14. Respondent's application is subject to denial under Code section 94891, subdivision  
23 (b), in conjunction with Title 5 of the California Code of Regulations, sections 71710,  
24 subdivisions (c)(2), (c)(6), (c)(7), and (e), in that Respondent's syllabi were non-compliant in that  
25 Respondent failed to include in the Esthetician and Manicurist syllabi a statement of educational  
26 objectives, failed to include a sequential and detailed outline of subject matter to be address or  
27 how skills would be measured, failed to include the instructional mode or method, and failed to  
28 tie specific learning outcomes to the sequence of the presentation of material to measure the

1 student's learning of the material as more fully set forth in paragraphs 9 through 12 above, and  
2 incorporated herein by reference.

3 **THIRD CAUSE FOR DENIAL OF APPLICATION**

4 **(Failure to Meet Minimum Operating Standards: Instruction)**

5 15. Respondent's application is subject to denial under Code section 94891, subdivision  
6 (b), in conjunction with Title 5 of the California Code of Regulations, sections 71715,  
7 subdivisions (a), (b), and (c), in that Respondent's education programs failed to demonstrate  
8 students are instructed in an approved method of instruction as more fully set forth in paragraphs  
9 9 through 12 above and incorporated herein by reference.

10 **DISCIPLINARY CONSIDERATIONS**

11 16. To determine the degree of discipline, if any, to be imposed on Respondent,  
12 Complainant alleges in a prior disciplinary action titled *In the Matter of the Accusation Against*  
13 *American Beauty Institute LLC; dba American Beauty Institute,*" Case No. 1003292 (Accusation  
14 Case No. 1003292), the Bureau issued a Decision and Order effective August 15, 2019, in which  
15 Respondent's Approval to Operate an Institution Non-Accredited (Approval to Operate) was  
16 revoked. However, the revocation was stayed and Respondent's Approval to Operate was placed  
17 on probation for three (3) years with certain terms and conditions.

18 17. To determine the degree of discipline, if any, to be imposed on Respondent,  
19 Complainant alleges that on or about August 23, 2021, the Bureau issued Citation #2122039 and  
20 ordered Respondent to pay a civil penalty in the amount of \$1,501.00, and to submit a written  
21 policy, or procedure, of future compliance with title 5, California Code of Regulations 71770,  
22 71920 and Education Code 94904. Respondent paid the civil penalty and submitted a written  
23 policy or procedure regarding future compliance. The Citation is now final.

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**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

- 1. Denying the renewal application of American Beauty Institute for Approval to Operate and Offer Educational Programs for Non-Accredited Institutions; and,
- 2. Taking such other and further action as deemed necessary and proper.

DATED: 2/28/2023

“Original Signature on File”  
DEBORAH COCHRANE  
Chief  
Bureau for Private Postsecondary  
Education  
Department of Consumer Affairs  
State of California  
*Complainant*

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